

SENATE BILL No. 531

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-2-20.

Synopsis: Long term care tax deduction. Provides an income tax deduction for an individual who sells a capital asset to pay long term care expenses.

Effective: July 1, 2003; January 1, 2004.

Hershman

January 23, 2003, read first time and referred to Committee on Finance.

C
o
p
y



First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

SENATE BILL No. 531

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3-2-20 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2004]: **Sec. 20. (a) As used in this section, "capital**
4 **asset" has the meaning set forth in section 1221 of the Internal**
5 **Revenue Code.**

6 **(b) As used in this section, "capital gain" means gain from the**
7 **sale or exchange of a capital asset.**

8 **(c) As used in this section, "long term care expenses" means**
9 **expenses directly incurred in the acquisition of long term care (as**
10 **defined in IC 12-15-39.6-1). The term does not include premiums**
11 **paid for a qualified long term care policy (as defined in**
12 **IC 12-15-39.6-5).**

13 **(d) Each taxable year, an individual may deduct from the**
14 **individual's adjusted gross income the lesser of:**

15 **(1) the individual's long term care expenses; or**

16 **(2) the amount of capital gains used in the taxable year to pay**
17 **long term care expenses;**



C
o
p
y

1 incurred in the taxable year.

2 (e) An individual who desires to claim the deduction under this
3 section must file a claim for the deduction on a form prescribed by
4 the department and must include any supporting documentation
5 required by the department.

6 SECTION 2. [EFFECTIVE JULY 1, 2003] IC 6-3-2-20, as added
7 by this act, applies only to taxable years beginning after December
8 31, 2003.

C
o
p
y

